

THESE MINUTES HAVE NOT BEEN APPROVED BY COMMITTEE CHAIR

ADMINISTRATION AND FINANCE COMMITTEE

DATE: January 18, 2005

CALLED TO ORDER: 5:05 p.m.

ADJOURNED: 5:27 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Vernon Brown
Becky Langsford
Lynn McWhirter
Jackie Nytes
Lincoln Plowman
Steve Talley

Absent Members

AGENDA

PROPOSAL NO. 743, 2004 - creates a nonreverting fund to be known as the "Delinquent Business Personal Property Settlement Fund"

"Postponed" until February 1, 2005

Vote: 7-0

PROPOSAL NO. 745, 2004 - determines the need to lease approximately 12,130 square feet of space at 908-928 Virginia Avenue for use by the Marion Superior Court

"Do Pass as Amended"

Vote: 7-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, January 18, 2005. Chair Joanne Sanders called the meeting to order at 5:05 p.m., with the following members present: Vernon Brown, Becky Langsford, Lynn McWhirter, Jackie Nytes, Lincoln Plowman, and Steve Talley. Also present was Earl Salisbury.

PROPOSAL NO. 743, 2004 - creates a nonreverting fund to be known as the "Delinquent Business Personal Property Settlement Fund"

Martha Womacks, Marion County Auditor, said the proposal is a fund that is intended to be set up for assessors to pay for services from an audit company. The company will bring in additional funds as a result of conducting audits on personal property.

Chair Sanders asked Councillor Nytes to give a summary of the meeting that was held regarding the proposed fund. Councillor Nytes said she would propose postponing the proposal to the next committee meeting, due to the lack of information that has not been discussed in public. She stated that one of her frustrations with the proposal is that out of this fund, the Council would be making an appropriation and paying the contract. Councillor Nytes said she would prefer when contractors and vendors are hired to do work involved in carrying out our government that they are part of the budget process. Then when officials are asked how much it costs to do property tax reassessment, the information will be provided as apart of the budget. Councillor Nytes added that the information would still be available, but in an off line process and not part of the budget. She stated that some questions she asked in the meeting were:

- How long ago did the assessors sign the contract?
- How many audits have been conducted?
- What kind of under reporting assessed value has been discovered?
- What amount of property tax collection money the assessors may receive?

Councillor Nytes said she has spoken to Paul Ricketts, Lawrence Township Assessor, and he indicated that he will be talking to the other assessors to provide additional information to the committee.

Councillor Salisbury said the assessors have always had to establish an account for any money that is received. The proposed account will accumulate funds as a result of the audits and then the payment is made by the proposed account; therefore, the account should not cost any additional funds to the community. Councillor Salisbury said the audit process is generating additional paper work the longer this proposal is delayed, which is an expense.

Councillor Brown asked Councillor Salisbury if he was speaking on behalf of the assessors. Councillor Salisbury replied in the affirmative. Councillor Brown asked if Councillor Salisbury has spoken to all the assessors on this proposal. Councillor

Salisbury said he has spoken with Paul Ricketts, Lawrence Township Assessor and Charles Spears, Wayne Township Assessor.

Councillor McWhirter asked what happens to the funds received from the audits. Councillor Salisbury said he is not sure where the money is being held, but knows the funds are being accumulated and are not being disbursed into the accounts. Ms. Womacks said no billing has occurred at this time; therefore, there are no funds that need to be accumulated. Councillor McWhirter asked if this is the first time the assessors have had a special fund of this type. Ms. Womacks said it is a different way of handling funds. The company makes money from what they recover for Marion County. Councillor McWhirter asked if the proposal is time sensitive. Ms. Womacks said delaying the proposal would not be problematic.

Councillor Nytes clarified that each assessor is turning cases over to the audit team and if one township does not find any under reporting (no new revenue) but another township receives excess revenue that township would pay for the cases in a township where no revenue was collected. She said these types of statements are too simplistic and she would like to get a better understanding on how this fund will operate.

Councillor McWhirter asked how the extra funds in the balance are distributed. Councillor Nytes said the money would go to the township from which the funds were collected. Councillor McWhirter asked where the funds go when a township receives the revenue. Councillor Nytes said the revenue would be distributed with the June and December settlements.

Councillor Brown said he believes this proposal should be delayed, due to the lack of information given to the Council.

Councillor Nytes moved, seconded by Councillor Talley, to "Postpone" Proposal No. 743, 2004 until the next committee meeting. The motion carried by a vote of 7-0.

PROPOSAL NO. 745, 2004 - determines the need to lease approximately 12,130 square feet of space at 908-928 Virginia Avenue for use by the Marion Superior Court

Susan Patterson, Director of Finances, Court Services Agency, said the Community Court has occupied a building at 1525 Shelby Street for the last four years. It became apparent last fall that the court would not be able to reach a lease agreement with the owner of the property. She said the court needed to find a building where they could house the Environmental and the Community Court, plus other agencies. Ms. Patterson said they have been paying \$55,000 - \$57,000 a year for rent along with \$50,000 - \$60,000 in utilities at 1525 Shelby Street. The proposed lease is ten years and averages out to \$10.50 a square foot. She said the first year the court will be responsible for \$67,000 in rent and of that the court collected approximately \$45,000 in rent last year. The court intends to go to the auditor to ask for an appropriation for that portion of the first year's rent. She said they expect to have the building open in late spring 2005.

Councillor Talley asked the cost of the build. Ms. Patterson said \$1.50 per square foot. Councillor Talley asked if the existing holding cells are included in the build out cost. Ms. Patterson replied in the affirmative and said there will be holding cells available at the proposed space.

Chair Sanders asked for clarifications on the cost of the lease. Ms. Patterson said the lease will be \$67,000 the first year including utilities. The remaining years of the lease the cost will average out to \$10.50 per square foot.

Councillor Nytes asked what is happening with the existing lease. Ms. Patterson said the court has through the Office of Corporation Counsel notified the owner that they will be leaving. Councillor Nytes asked if the court believes they have terms to break the lease. Ms. Patterson replied in the affirmative.

Councillor Brown asked the length of the existing lease. Ms. Patterson said ten years. Councillor Brown asked for the total cost of the existing lease. Ms. Patterson said approximately \$117,000 per year, plus \$180,000 just to sign the lease. Councillor Brown asked why they are still proposing a ten year lease. Ms. Patterson responded that it is for commitment to the community. Councillor Brown asked if the court included out clauses in the proposed lease. Ms. Patterson replied in the affirmative.

Councillor Plowman asked for the address of the proposed building. Ms. Patterson said 902-926 Virginia Avenue. Councillor Plowman said the resolution states the address is 908-928 Virginia Avenue. Ms. Patterson stated the correct address as 902-928 Virginia Avenue.

Councillor McWhirter moved, seconded by Councillor Talley, to amend Proposal No. 745, 2004 to read 902-928 Virginia Avenue. The motion carried by a vote of 7-0.

Councillor Nytes moved, seconded by Councillor Talley, to send Proposal No. 745, 2004 to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 7-0.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 5:27 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee

JS/as

